



05 MAR 2002

MEMORANDUM FOR RECORD

FROM: AFPEO/C2&CS

SUBJECT: 14 Feb 2002 Rapid Improvement Team Offsite Minutes


The first AF Rapid Improvement Team (RIT) offsite was hosted by the Financial Information Systems Program Office on 14 Feb 2002 at Wright-Patterson AFB, OH. The agenda is at Attachment 1, attendee list at Attachment 2, and action item summary at Attachment 3. Copies of the briefing charts are available at <http://www.safaq.hq.af.mil/peoc2cs/rit.htm>

1. The meeting began with opening comments. Gen Riemer highlighted the RIT as an incredible opportunity to redefine the way DoD accomplishes Information Technology (IT) acquisition. In the past the Office of the Secretary of Defense (OSD) provided program oversight through major milestone reviews. Under the RIT there will be no major milestone reviews, but continuous flow of information to senior leaders. To succeed we must build trust, focus on what's important (WarFighter), focus on bite-size capability this year, transition the way we think (ex. be prepared to give money back if we can't spend it) and ultimately do what makes sense. Ms Williamson added that we will not cheat, we will do the right thing and cut out the non-value added items. She also pointed out this will not be easy; similar to Thomas Edison's creation of the light bulb after more than 2,000 attempts and countless ridicule. John Laychus reinforced Gen Riemer's comments that the RIT is an opportunity to better accomplish IT acquisition. The core tenant will be risk-based oversight. He also explained the way OSD does business will change – from waiting for information in a fully coordinated document to insight. He explained the RIT pilot for the AF officially began with the offsite. Finally, he explained that we will be held to high standards and although there is some relief from regulatory requirements, statutory requirements are still in force as well as the need to complete Interoperability Key Performance Parameters in the Operational Requirements Documents (AI# RIT02-10). Finally, Joe Albergo added that the RIT is a license to speed, but in a NASCAR racetrack with OSD and others in the stands watching how the AF executes right-sized oversight. He pointed out that although he doesn't see these efforts leading to a new DoD Instruction 5000, he does see a new section added to 5000 for IT. He also pointed out there are risks in defining how to accomplish evolutionary ORDs, how the test community will function in the new paradigm, and the risk that with more information will come more questions. While not insurmountable, these are all issues that need to be thought through.

2. Capt Bedingfield provided an overview of the RIT approach. He briefed some of the factors behind the hypothesis that oversight is problematic. He also briefed the RIT core tenets – risk-based “right-sized” oversight using the Document X tool via the Evolutionary Acquisition Decision Review (EADR) process. He explained the Document X tool will be the repository of all the acquisition information a program manager needs to do his job as well as the ability to roll-up that information for the oversight organizations to accomplish their jobs. Instead of formal milestone reviews, the EADRs will provide an opportunity for program office, customer, and the Program Executive Office (PEO) to come together at regular intervals (or as necessary) to make key program decisions. Once stabilized, it is envisioned that the EADRs will meet once a year to baseline the next years work effort and add additional definition to work effort over the Future Years Defense Plan (FYDP). Capt Bedingfield took an action to provide an EADR briefing to all System Program Directors (SPDs) and Program Managers (PMs) (AI# RIT02-01). Upon review of the sides the SPDs will provide comments on the EADR checklist (AI# RIT02-02).
3. Maj Vesper presented a modified Analysis of Alternatives (AoA) approach. Ultimately the process must allow some flexibility in the business strategy to accommodate for technology changes during acquisition. It was also pointed out that a Milestone C for IT doesn’t make sense since, unlike typical weapon systems acquisitions, the significant investment is in development not fielding. The new AoA approach utilizes limited costing / scoring of all alternatives with more detail for the recommended alternative and the status quo. It was noted that the process should focus on information necessary for the PEO to make a decision as well as information required by the AF Chief Information Office (CIO). Maj Vesper took an action to provide modified briefing charts to the group for a franchising decision (AI# RIT02-03).
4. Mr Dane Warf presented the FIRST Program Management Office’s (PMO’s) approach to Risk Management. Risks and risk mitigation plans were identified via a risk workshop hosted in a collaborative environment by ASC/SYG and subsequently tracked to mitigation via regular PMO reviews. The FIRST PMO uses the Risk Radar tool to track their risks. Both the tool and the workshop are free from ASC/SCY. Other free tools and workshops are also available free from ESC and Raytheon. There were concerns that reported risk data could be used incorrectly (ex. “reds” signifying the need for intervention) and that the DSMC, ESC, and ASC standard risk definitions may not match. Capt Bedingfield took an action to provide the standard risk definitions to the SPDs who would then verify their definitions match (AI# RIT02-04). A decision was made to franchise the risk management process and to display program risks via the scattergram technique using the standard risk definitions. The choice of tool is left up to the SPD/PM. In addition, the PEO took an action to ensure the RIT Pilot itself instituted the risk management approach (AI# RIT02-05).
5. Mr. Dane Warf then presented two other FIRST initiatives as best practices other programs may also want to try.
  - a. The first was IPT pricing. Before a final Engineering Change Proposal (ECP) is submitted, the FIRST PMO works with the Contractor to define and agree to all tasks and hours on those tasks. Therefore, when the ECP is submitted, the only thing left to negotiate is the fee (since the rate is pre-negotiated by DCMC). The IPT Pricing

- Approach (also called One Pass Contracting) has led to significant schedule savings for the FIRST program.
- b. The second was their Award Fee Approach. The FIRST PMO uses the Award Fee Automated Support Tool (A-FAST). Whenever an event of note takes place, the PMO makes an award fee entry into the A-FAST tool. The Contractor can immediately see their award fee rating change as well as the rationale for the change and make corrections accordingly. When the final award fee input is due to the Fee Determining Official, the A-FAST tool squirts out the agreed position. Usually this ensures Government and Contractor Award Fee positions are quite close. The approach also provides the Contractor immediate feedback which incentivizes him to improve before the final award fee determination.
6. Mr. Kevin Hamilton presented a revised Economic Analysis (EA) approach. Discussion centered on balancing the need for actionable level of detail with the time it takes to complete those estimates. In particular, a certain level of fidelity is required to make long-term viability decisions and a lower level of detail to baseline the current spiral. It was also noted there is currently no EA standard, only draft 1995 guidance, which leads to personality driven oversight. Also, estimators' understanding of the program was identified as a major schedule driver. Another major discussion point was the PPBS and spiral development as a two-edged sword. The level of fidelity is not available in the out years for a full Life Cycle Cost Estimate, and therefore the claim to out-years funding is tentative at best. The most viable approach seemed to be to try to put a wedge in the out years and figure out how to defend it later. Overall, all pilot programs except IMDS seemed close to completing their EA. A decision was made to determine how the IMDS EA process can work better for the next 18 months of the RIT pilot and then try to come back later and work a better overall EA process.
  7. Capt Bedingfield presented an overview of the baselining activities that need to be accomplished and the metrics used in the preliminary business case. One metric identified to help determine RIT success is the schedule adjustment due to RIT activities. After the EADR brief is presented, each SPD will provide a copy of their current schedule and their revised schedule due to RIT efforts (**AI# RIT02-06**). At the end of the RIT pilot, the schedules will be compared to reality to determine RIT success at reducing schedules from program conception to contract award. To determine RIT success post contract award Quantitative Software Management (QSM) visits will be scheduled to each program to collect baselining metrics (**AI# RIT02-07**). Finally, each SPD was tasked to brainstorm metrics that will identify the level of RIT success (**AI# RIT02-08**).
  8. In closing comments the three key tenets of the RIT were emphasized, but it was also pointed out that SPDs/PMs are free to try any of the 32 original recommendations as well as any ideas of their own. Capt Bedingfield took an action to provide all SPDs/PMs with the list of 32 recommendations (**AI# RIT02-09**). Also, it was noted that any new initiative should be documented and provided to the RIT oversight group for franchising with the other services. Finally several champions were identified to work various aspects of the RIT as follows:
    - a. Economic Analysis: Air Force Cost Agency
    - b. Document X Tool Migration Path: Col Courtney (ESC/ILI)

- c. C4ISP Process: Lt Col Zenishek (SAF/AQI)
  - d. Testing Approach: AFOTEC and 46<sup>th</sup> Test Wing
  - e. Clinger-Cohen: Mr John Gay (AF/CIO) and Mr Ron Richards
9. My point of contact is Capt John Bedingfield at (703) 588-6206, DSN 425-6206, or [john.bedingfield@pentagon.af.mil](mailto:john.bedingfield@pentagon.af.mil).

  
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**Rapid Improvement Team (RIT) Offsite**  
**14 Feb 02**  
**Location: WPAFB, Bldg 89, Door 9, FIRST PMO Conf Rm**

Time	Agenda Item	OPR	Expected Outcome	Briefing Length
8:00	Introductions	All		0:15
8:15	Opening Remarks	Gen Riemer, Ms Williamson, Mr Laychus, Joe Albergo, SPDs		1:00
9:15	RIT Overview	Capt Bedingfield	- Increased understanding of RIT goals and approach - Identification of near-term RIT tasks	1:30
10:45	Break	All		0:15
11:00	New Analysis of Alternatives Approach	Maj Vesper	- Understand and discuss revised AoA approach - Decision to franchise AoA process across RIT	0:45
11:45	Break	All		1:00
12:45	FIRST Risk Management Approach	Mr Warf	- Increased understanding of FIRST Risk Management Approach - Decision to franchise FIRST Risk Management Approach	1:00
13:45	FIRST IPT Pricing Approach	Mr Warf	Info only	0:30
14:15	FIRST Award Fee Approach	Mr Warf	Info only	0:30
14:45	Break	All		0:15
15:00	New Economic Analysis (EA) Approach	Mr Hamilton	- Understand and discuss revised EA approach	1:00
16:00	RIT Metrics and Baseline RIT Pilot Programs	Capt Bedingfield	- Identify metrics to measure RIT improvements - Identify steps required to baseline pilot programs	0:30
16:30	Way Ahead	All	- Discuss SPD RIT concerns / risks - Identify key next steps to RIT implementation	0:30
17:00	Closing Comments / Review Action Items	All		

**AF RIT OFFSITE ATTENDEE LIST**  
**14 FEB 02**

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<b>RIT OFFSITE ACTION ITEMS</b>			
<b>Number</b>	<b>Action</b>	<b>OPR</b>	<b>Suspense</b>
RIT 02-01	Provide attendees copy and brief latest EADR brief	PEO (Bedingfield)	28-Feb-02
RIT 02-02	Provide comments on EADR checklist	SPDs	EADR brief + 2 wks
RIT 02-03	Provide copy of modified Analysis Of Alternatives Brief	ILS (Vesper)	28-Feb-02
RIT 02-04	Provide list of risk management standards to SPDs	PEO (Bedingfield)	28-Feb-02
RIT 02-05	Institute risk management process for the RIT pilot itself	PEO (Mastic)	
RIT 02-06	Provide copy of current schedule and modified schedule based on RIT	SPDs	EADR brief + 2 wks
RIT 02-07	Schedule baseline meetings with QSM	PEO Directors	28-Feb-02
RIT 02-08	Brainstorm list of metrics "for a successful RIT"	SPDs	EADR brief + 2 wks
RIT 02-09	Send list of RIT 32 recommendations to SPDs	PEO (Bedingfield)	28-Feb-02
RIT 02-10	Finalized ORD Interoperability KPPs	SPDs	